

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION, CANTON**

-----X	
In re:	: Case No. 10-61033
	: :
THE HERALD PRINTING COMPANY	: Chapter 11
	: :
an Ohio limited liability company,	: Judge Russ Kendig
	: :
Debtor and	: :
Debtor-in-Possession.	: :
	: :
(Employer Tax I.D. No. 34-1050454)	: :
-----X	

**DEBTOR’S AMENDED MOTION FOR ORDER AUTHORIZING (I) THE SALE OF
SUBSTANTIALLY ALL OF ITS ASSETS, FREE AND CLEAR OF LIENS, CLAIMS,
ENCUMBRANCES, AND INTERESTS AND (II) THE
ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY
CONTRACTS AND UNEXPIRED LEASES**

The above-captioned debtor and debtor in possession (the “Debtor”), hereby submits this Motion, pursuant to sections 363 (b) and (e) and 365 of the Bankruptcy Code, 11 U.S.C. §§ 101-1330 (the “Bankruptcy Code”), and Rules 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for an Order authorizing the Debtor to sell substantially all of its assets free and clear of liens, claims, encumbrances, and interests, and to assume and assign certain executory contracts and unexpired leases to the party that submits the highest and best

bid, pursuant to the Bidding Procedures (as defined below) and as approved by the Court (the “Purchaser”).

In support of this Motion, the Debtor represents as follows:

I. BACKGROUND

1. The Debtor started in business in 1881 and was acquired by the Bordner family in the early part of the twentieth century. Under the Bordner family ownership, the Debtor grew to a business with annual sales of over \$12,000,000 and over 100 employees in its New Washington, Ohio facility.

2. In July 2002, Robert Bordner sold the Debtor’s facility to Stump Investments, Ltd which is owned by Mr. David Stump. Mr. Stump was a member of the Debtor’s management and a minority stockholder. Mr. Stump also bought the Bordner family’s stock making Mr. Stump the Debtor’s sole shareholder. As a result of the purchase of the shares of the Debtor and its facility by Mr. Stump, the Debtor became indebted to Citizens Banking Company in excess of \$4,000,000. The debts to Citizens Banking Company were restructured and new loan documents were executed. Citizens Banking Company sold its claim against the Debtor to PAF Investments LLC (“PAF”). As of March 3, 2010, PAF claimed to be owed the amount of \$3,137,177.59.

3. Since the 2002 acquisition, the Debtor’s sales have dropped approximately \$7,000,000 annually. The drop in the Debtor’s sales is due in large part to the loss of one of its largest customers: MTD. MTD bought a printing company and began doing its printing in-house, thereby costing the Debtor over \$1,000,000 in sales annually. Additionally, general economic conditions and market forces in the printing industry have driven the Debtor’s sales down.

4. Beginning in 2005, the Debtor began negotiations for a restructuring plan with its lenders listed above and its trade creditors. Those negotiations culminated in the execution of a Term Sheet among Citizens Bank, First Federal Bank of Ohio, Robert Bordner and the Debtor for a 3-year restructuring plan for the Debtor. At the end of the restructuring term in 2009, the Debtor had not achieved the desired results and remained over leveraged.

5. In addition to the debts incurred related to the 2002 acquisition, the Debtor owes \$500,000 to trade vendors even after the debt forgiven by trade creditors through the 2006 restructuring plan.

6. The Debtor has been unable to operate profitably and has continued to lose money through the year 2009. Absent an immediate sale of its assets, the Debtor will be forced to shut its doors, cease operations, and liquidate its assets. This outcome will result in a loss of any going concern value that may be realized from the proposed sale, a loss of the Debtor's employees' jobs, the Debtor's customers being forced to spend money to re-source their needs, and a loss of a customer for the Debtor's vendors. In short, a shut down and liquidation will cause harm to all parties in interest in this case. Therefore, it is in the best interest of the Debtor and all parties in interest in this case that the Debtor sell its assets as an ongoing concern before it must shut down.

II. TERMS OF ACQUISITION

A. Assets to be Sold

7. The Debtor proposes that the Purchaser will purchase and acquire the Debtor's business and substantially all of the Debtor's assets shown as Exhibit A attached hereto (the "Assets").

B. Executory Contracts and Unexpired Leases to be Assumed and Assigned

8. The Debtor further proposes that it will assume and assign to the Purchaser certain executory contracts and unexpired leases associated with the Debtor's business. Such list may be modified upon the execution of a purchase agreement between the Debtor and the Purchaser in which case the Debtor will provide notice to any party impacted by such modifications. The list of executory contracts and unexpired leases to be assumed and assigned is attached hereto as Exhibit B.

C. Consideration for the Purchase of the Debtor's Assets and the Assignment of Executory Contracts and Unexpired Leases

9. The Debtor proposes that the Purchaser will, in consideration for the purchase of the Debtor's assets and assignment of executory contracts and unexpired leases, pay the purchase price in cash on the Closing Date.

D. Bidding Procedures for the Sale

10. Contemporaneously with the filing of this Motion, the Debtor has filed the Debtor's Motion for an Order approving Bidding Procedures Regarding Debtor's Proposed Sale of Substantially all of its Assets Free and Clear of Liens, Claims, Encumbrances, and Interests and the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases (the "Bidding Procedures Motion"). Through the Bidding Procedures Motion the Debtor seeks the Court's approval of the procedures to solicit bids for the Assets and to conduct an auction. The Bidding Procedures Motion contemplates an auction to be held at the Debtor's counsel's office one day prior to the hearing on this Motion. The winning bidder's offer will be presented to the Court for approval at the hearing. Stump's Converting, Inc., an affiliate of the Debtor,¹ is anticipated to make the initial bid for the assets for a price of approximately \$650,000.

¹ Stump's Converting Inc. is owned by the wife of the Debtor's owner and has operated since 1998.
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E. Closing

11. The closing will occur immediately after the entry of an order approving the sale of the Assets. The Debtor requests that such order include the protection provided under section 363(m) of the Bankruptcy Code and that the stay imposed by Bankruptcy Rule 6004(g) be waived to facilitate an immediate closing. If a closing does not occur within ten days after the entry of such order, then the Debtor may proceed to close a sale with the party submitting the second highest bid for the Assets.

III. SALE WITH OR WITHOUT THE CONSENT OF THE DEBTORS' LENDERS

12. The Debtor is indebted to PAF Investments (the "Lender") in the approximate principal amount of \$3,100,000 plus interest. The Lender holds security interests in substantially all of the Debtor's assets, including without limitation, the Assets to be transferred. Pursuant to section 363(f)(2) of the Bankruptcy Code, the Debtor can transfer the Assets free and clear of the Lender's liens if the Lender consents. The Lender consents to the sale of the Assets free and clear of the Lender's liens, on the conditions set forth in the order extending use of cash collateral entered in this case (Docket No. 54) including but not limited to the following: if the purchaser for the Debtor's assets is David Stump, Suzanne Stump, or Stump Investments, Ltd. (collectively, the "Guarantors") or any affiliate of the Guarantors, then the guaranties of PAF's claim by the Guarantors shall be limited to the difference between the purchase price for the assets and \$800,000 (and if the assets are sold at or above a purchase price of \$800,000, the guaranties shall be deemed released). If the Guarantors are fully released from the guaranty obligations, then any claims of the Guarantors against PAF shall be fully released;

13. Upon closing of the sale of assets, assumption of certain executory contracts, and unexpired leases, the Debtor shall waive all claims and defenses against PAF; provided that said

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release shall not extend to any other party in interest including, but not limited to any committee appointed in the Debtor's case or any subsequently appointed trustee; and.

14. The Debtor's former owner, Robert Bordner, held a security interest in certain of the Debtor's assets from the transaction in 2002 described in the Background above. The perfection of Mr. Bordner's security interest lapsed in 2007 and no continuation statements were filed. As a result, on the Petition Date, Mr. Bordner was a nonpriority unsecured creditor by virtue of the operation of the Bankruptcy Code. The Debtor proposes to sell the Assets free and clear of any interest Mr. Bordner may claim to the Assets and does not believe that his consent is necessary for the sale to proceed to closing.

15. Alternatively, the Debtor may sell the Assets without the consent of the Lender so long another subsection of section 363(f) of the Bankruptcy Code is met. In this instance, the proposed sale may be approved under section 363(f)(1) and (5) so long the Lender receives the value of its interest in the Debtor's property. That value may be measured by the purchase price. The Bidding Procedures are calculated to draw the highest price for the Assets and thereby fix the value of the Lender's interest in the Assets. Therefore, through the sale process proposed by the Debtor, the Lender is receiving the value of its interest in the Debtor's property.

IV. NECESSITY OF A SECTION 363 SALE OF THE DEBTOR'S ASSETS AND ASSIGNMENT OF THE DEBTOR'S EXECUTORY CONTRACTS AND UNEXPIRED LEASES

16. The Debtor believes that there are a number of reasons why a sale of substantially all of its assets pursuant to sections 363(b) and (f) of the Bankruptcy Code and an assumption and assignment of certain executory contracts and unexpired leases under section 365 of the Bankruptcy Code is necessary, appropriate and justified under applicable law. First, the value of the Debtor's assets is not likely to increase if the Debtor continues to operate in chapter 11,

leading the Debtor to conclude that the value of the Debtor's estate will be maximized through a sale of its business as a going concern rather than through a piecemeal liquidation or a delayed sale pursuant to a plan of reorganization. In addition, the Debtor may continue to lose money while it operates, making it increasingly difficult for the Debtor to continue to operate its business. See, Stephens Industries, Inc. v. McClung, 789 F.2d 386, 391 (6th Cir. 1986) (holding that "a bankruptcy court can authorize a sale of all Chapter 11 debtor's assets under 363(b)(1) when a sound business purpose dictate such action.").

17. Faced with the possibility of a shut down and liquidation of its assets unless a sale is consummated, the Debtor believes that the sale of its assets and assignment of executory contracts and unexpired leases to the Purchaser, as described in this Motion, is the only means for creating value for its estate. Consequently, the Debtor believes that the relief requested in this Motion is in the best interests of the Debtor, its creditors and its estate.

V. NOTICE

18. A copy of this Motion, as well as Notice of the hearing on this Motion, will be served on all parties specified in Rules 2002(a) and (d) and 6004 of the Bankruptcy Rules, including all parties that have liens or other interests in the Debtor's assets to be sold, all non-debtor parties to executory contracts and unexpired leases to be assumed and assigned, the Office of the United States trustee and all parties who have filed a notice of appearance in this case.

WHEREFORE, the Debtor respectfully requests that the Court enter an order attached hereto as Exhibit C: (a) authorizing the Debtor to sell substantially all of its assets free and clear of liens, encumbrances and interests and assume and assign certain executory contracts and unexpired leases to the party that submits a qualifying competing offer in accordance with the Bidding Procedures to be established by the Court; (b) that the proceeds of the sale (less any

excess proceeds) be paid at closing to PAF Investments, LLC and (c) granting the Debtor such other and further relief as the Court deems appropriate.

Respectfully submitted,

/s/ Anthony J. DeGirolamo
Anthony J. DeGirolamo (0059265)
Courtyard Centre, Suite 307
116 Cleveland Avenue NW
Canton, Ohio 44702
Telephone: 330-588-9700
Facsimile: 330-588-9713
E-mail: ajdlaw@sbcglobal.net

COUNSEL FOR THE
DEBTOR AND DEBTOR IN POSSESSION

EXHIBIT A

	Total		
PC and Macs	<u>68/14</u>		
Servers	<u>12</u>		
Monitors	85		
Printers	24		
Phones	53		
Desk	45		
Chairs	91		
Cubicals	36		
Binder/Cabinets	146		
Switches	5		
Fax Machines	5		
Conference Table	2		
Conference Chairs	14		
Couch/Chair	2		
Lobby Cabinets	7		
TV/VCR	2		
Radio	1		
Wooden Shelves	15		
Paper Shredder	1		
Wooden Tables in Prepress	10		
Drum Scanner	1		
Light Board	1		
Plate Punch	1		
Phone Cabinet	1		
Amplifiers	4		
Server Rack	4		
Floor Air Conditioners	3		
Kitchenettes	2		
Presses:			

Miehle-Man Roland	40"	4clr.	634	15663B6631
Miehle-Man Roland	40"	6clr.	638	16741B6758
Miehle-Man Roland	40"	2clr.	619	11784B6139
Roland			40"	6clr plus co: 25119B
Miller	Perfector	40"	6clr	TP104 A20445
Web			MGD	Miehle-Goss-Dexter

Folders:

MBO 1	B-26-S-C	Main Machine	S03/124
MBO 1	B-26-S-2-26-4	8pg unit	S03/124
MBO 1	B-26-S-3-22-4	16pg unit	S03/124
MBO 1	ASP 66-2ME	crusher de	80615
MBO 3	B26-S-C	Main Machine	S03/131
MBO 3	B26-S-2-26-4	8pg unit	S03/131
MBO 3	B26-S-3-22-4	16pg unit	S03/131
MBO 3	ASP-66-2ME	crusher de	80617
MBO 2	B26-C	Main Machine	E08/02
MBO 2	B26-2-26-4	8pg unit	E08/02
MBO 2	B26-3-15-4	16pg unit	M06/46
MBO 2	A76-DC	Delivery	E09/33
MBO 4	T-49-44	Main Machine	B-07-22
MBO 4	T-49-44	8pg unit	B-07-22
MBO 4	A-56	Delivery	62365
MBO 5	T49-C	Main Machine	F1/27
MBO 5	T49-2-49/4	8pg unit	F1/27
MBO 5	A49-DC	Delivery	J-08/15
MBO 5	T-49-2-49/4	GLUE UNIT	K.01/11
MBO	Z2	Z-Knife	8027
Central	CP322U	Tape System	961366

Shrink wrapper:

Voneiff Gibson	8 Ft Lug	112702	
Voneiff	3000-1 Ba	112701	
Voneiff	T1000 Oven		112703

Pocket folder

Moll	Pocket folder	878
Moll	Bump & Turn	465
Moll	Final Fold	496
Moll	Dial a Stack	510
Moll	Perf & Crease	483
Moll	Glu- Bind	431

Saddlebinders

Harris	562-8	8 gather	717G
McCain		6 gather	MTA16120488

Cutters

Wohlenburg	Type 115	3256-006
Wohlenburg	Type 115	3727-006
Heinrich Bauman	Pile Lift	51533
Heinrich	Jogger Table	211.554
Heinrich	Stacker BA3N	1246

Quincy	5120 Air Compressor	6051666
Quincy	5120 Air Compressor	6153509
Dayton	Air Dryer	0321A-31-8909-172N
Hankison	Air Dryer	

Polybagger Weldotron 3 Station Feeder

Multibinder Macey
Skid Wrapper Muller
WinkJet & Tabber
2 Mosca Strapars

Press Supplies:

ALK R Less	2 gal
Powder	9Box 99lb.
Fountain Solution	20 gal
Press Wash	35 gal
Gloss Varnish	50 lb
Dull Varnish	36 lb
NoWax Gloss Varnich	28 lb
Blankets	31
Dry Roller Compound	20 lb
D-Glaze	3 Bottles
EEZy Clean	3 Bottles
Ink Rendi	11 Cans
On the Fly	12 Bottles
Aqurous Coating Cleaner	26 Bottles
Salt Crystal Remover	12 Bottles
Chrome Roller Cleaner	3 Bottles
Aqua image Plate Cleaner	7 Bottles
Velocity Plate Cleaner	9 Bottles
Metering Roller Cleaner	2 gal
Royal Flush	4 gal
Fountain Dryer	4 gal

Warehouse Racks	71 Sections
Racks in Machine Bindery	6 Sections

Shelf Racking Pressroom 4 Sections

Ink - Process Colors:

Black	210 lbs
Cyan	270 lbs
Magenta	450 lbs
Yellow	300 lbs

Ink - Pantone Colors:

Trans White	55 lbs
Black	40 lbs
Process Blue	60 lbs
Reflex Blue	60 lbs
Yellow	60 lbs
Warm Red	30 lbs
Rubine Red	60 lbs
Rhod Red	30 lbs
Purple	20 lbs
Green	30 lbs

Metalics:

	871 8 lbs
	872 38 lbs
	873 14 lbs
	874 14 lbs
	875 7 lbs
	876 32 lbs
	877 25 lbs
O32	35 lbs
O21	10 lbs
O72	20 lbs

MULTIPLE KIND VALUATION - ENDING BALANCE

caurand

Tuesday, March 23, 2010

TIME:

17:10

Quantity On Order	Quantity On Hand	Quantity Unpriced	Quantity Available	Quantity Reserved	Item Number	Item Description	Average Price	Item Valuation	Quantity YTD Usage
0	750	0	750	0	801339600100	Adorra Felt Text 80# 23.5 x 35 136M Pearl	.20000	150.00	0
25	275	80	275	0	801090300802	Astrobrights Vellum Cover 65# 23 x 35 201M Cosmic Orange	0.2850	78.38	205
80	275	0	275	0	801090300803	Astrobrights Vellum Cover 65# 23 x 35 Fireball Fuchsia	0.00	0.00	0
0	25	25	25	0	801090300810	Astrobrights Vellum Cover 65# 23 x 35 201M Pulsar Pink	0.2850	7.12	63
0	275	0	275	0	801090300811	Astrobrights Vellum Cover 65# 23 x 35 201M Solar Yellow	0.2655	73.01	188
0	275	0	275	0	801090300813	Astrobrights Vellum Cover 65# 23 x 35 201M Terra Green	0.2850	78.38	0
0	1,090	790	-1,556	2,646	801090302200	Astrobrights Vellum Cover 65# 35 x 23 201M Rocket Red	0.2850	310.65	535
0	100	0	100	0	801331200650	Astroparche Vellum Text 60# 23 x 35 102M Natural	0.1938	19.38	0
0	650	0	650	0	801331200750	Astroparche Vellum Text 60# 25 x 38 120M Natural	0.194	126.10	0
0	200	0	200	0	801090801250	Beckett Ridge Uncoated Cover 80# 26 x 40 320M Greenbrier	.79872	159.74	0
0	300	0	300	0	801332400050	Cambric Linen Text 70# 23 x 35 119M Arctic	.20000	60.00	0
0	300	1,500	300	0	801060905300	Carolina C2S Cover 14pt. 26 x 40 453M White	0.3715	111.45	0
0	10	0	10	0	801421000400	Chipboard .026 26 x 38 White 80#	5.1098	51.10	0
0	50	0	50	0	801061251100	Chorus Art Gloss Cover 100# 20 x 26 200M White	0.1500	7.50	5,200
0	125	0	125	0	801061255600	Chorus Art Silk Cover 80# 23 x 35 248M White	0.1959	24.49	9
0	100	19,750	100	0	801061256150	Chorus Art Silk Cover 100# 23 x 35 310M White	0.2170	21.70	150
0	500	0	500	0	801061256750	Chorus Art Silk Cover 130# 26 x 40 520M White	0.4108	205.40	3,000
0	300	0	300	0	801333101750	Classic Crest Smooth Text 80# 23 x 35 136M Pebblestone	.20000	60.00	0
0	200	800	200	0	801120900950	Classic Crest Smooth Writing 24# 35 x 23 103M Whitestone	0.224	44.80	0
0	35	5	35	0	801092200900	Classic Laid Cover 65# 35 x 23 201M Chatham Tan	0.49850	17.45	0
0	890	725	890	0	801092300300	Classic Linen Cover 80# 26 x 40 320M Solar White	0.7225	643.02	85
0	75	0	75	0	801092306550	Classic Linen Cover 120# 26 x 40 480M AvWh/EpBk DU	1.36031	102.02	0
0	80	570	80	0	801121400200	Classic Linen Writing 24# 23 x 35 103M Avon Brilliant	0.2719	21.75	0
0	2,300	0	2,234	66	801519000475	Clear Cling Vinyl 8 Mil 18 x 24 330M Clear	0.8590	1,975.70	264
0	500	0	500	0	801011001200	Coronado Supersmooth Offset 80# 23 x 35 136M Inf. White	0.16985	84.92	0
0	100	0	100	0	801092700400	Cougar Opaque Smooth Cover 80# 23 x 35 248M White	0.2406	24.06	3,679
0	2,000	0	2,000	0	801092700550	Cougar Opaque Smooth Cover 80# 26 x 40 320M White	0.3104	620.80	0
0	850	0	850	0	801092700575	Cougar Opaque Smooth Cover 100# 23 x 35 310M White	0.3000	255.00	0
0	3,750	0	3,750	0	801011100900	Cougar Opaque Smooth Offset 70# 25 x 38 140M Natural	0.1344	504.00	7,650

MULTIPLE KIND VALUATION - ENDING BALANCE

caurand

Tuesday, March 23, 2010

TIME:

17:10

Quantity On Order	Quantity On Hand	Quantity Unpriced	Quantity Available	Quantity Reserved	Item Number	Item Description	Average Price	Item Valuation	Quantity YTD Usage
0	350	6,550	-1,246	1,596	801011102750	Cougar Opaque Smooth Offset	0.0903	31.60	0
0	675	0	675	0	801011103100	60# 23 x 35 102M White Cougar Opaque Smooth Offset	0.10948	73.90	0
0	700	0	700	0	801333400150	70# 23 x 35 119M White Crused Leaf Smooth Text	0.185	129.50	0
0	250	0	250	0	801092750550	70# 23 x 35 119M Gray Crushed Leaf Smooth Cover	.40000	100.00	0
0	200	0	200	0	801092991000	80# 26 x 40 320M Silver Curious Metallics Cover	1.9150	383.00	41
0	900	0	900	0	801013502000	92# 26 x 40 370M Lustre Domtar Titanium Smooth Offset	.20000	180.00	0
0	2,000	0	2,000	0	801513300350	70# 25 x 38 140M Natural EC Tags 15 pt #8 Yellow	0.0429	85.80	0
0	150	0	150	0	801093352250	Element Squares Cover	0.682	102.30	0
0	115	0	115	0	801093400100	80# 25.5 x 38 298M Soft Blue Enhance Silk Uncoated Cover	0.7695	88.49	1,056
0	250	0	250	0	801097700100	80# 26 x 40 320M Arctic ESSE Texture Cover	.40000	100.00	0
0	500	9,000	500	0	801011302500	80# 26 x 40 320M Black Exact Opaque Vellum Offset	0.2000	100.00	926
0	400	0	400	0	801011302550	50# 23 x 35 85M Blue Exact Opaque Vellum Offset	0.5271	210.84	0
0	3,200	350	3,200	0	801011302650	50# 23 x 35 85M Cream Exact Opaque Vellum Offset	0.0649	207.68	333
0	500	0	500	0	801011302700	50# 23 x 35 85M Gray Exact Opaque Vellum Offset	0.0770	38.50	250
0	2,200	0	2,200	0	801011302850	50# 23 x 35 85M Green Exact Opaque Vellum Offset	0.0630	138.60	0
0	12,000	12,000	12,000	0	801011302875	50# 23 x 35 85M Yellow Exact Opaque Vellum Offset	0.0740	888.00	10,000
0	20	230	20	0	801011304050	50# 25 x 38 100M Yellow Exact Opaque Vellum Offset	0.0890	1.78	0
0	1,500	0	1,500	0	801011304600	60# 23 x 35 102M Orchid Exact Opaque Vellum Offset	0.0888	133.20	16,500
0	500	0	500	0	801011305935	60# 25 x 38 120M Cream Exact Opaque Vellum Offset	0.1107	55.35	0
0	360	0	360	0	801212000250	70# 25 x 38 140M Natural Exact Smooth Index	0.1387	49.93	3,658
0	7,000	1,000	772	6,228	801212000650	90# 22.5 x 35 182M White Exact Smooth Index	0.1358	950.60	0
0	2,500	500	1,159	1,341	801212000750	110# 22.5 x 28.5 181M White Exact Smooth Index	0.1765	441.25	7,295
0	577	0	577	0	801212003650	110# 22.5 x 35 223M White Exact Smooth Index	0.1820	105.01	173
0	750	0	750	0	801212004460	110# 22.5 x 35 223M Blue Exact Smooth Index	0.2357	176.78	1,250
0	10	0	10	0	801241001200	140# 22.5 x 35 284M Gray Exact Smooth Tag	0.215	2.15	0
0	650	0	650	0	801241001350	125# 24 x 36 250M Manila Exact Smooth Tag	0.2340	152.10	0
0	50	125	50	0	801181002400	150# 24 x 36 300M Manila Exact Vellum Bristol	0.1430	7.15	0
0	7,750	0	7,750	0	801094001250	67# 23 x 35 168M Ivory Exact Vellum Uncoated Cover	0.1548	1,199.70	0
0	150	0	150	0	801094001300	65# 23 x 35 201M Cream Exact Vellum Uncoated Cover	0.1730	25.95	104
0	125	0	125	0	801094200750	65# 23 x 35 201M Blue Feltweave Felt Uncoated Cover	0.6000	75.00	0
0	400	0	400	0	801011400400	100# 26 x 40 400M Natural Finch Fine VHF Offset	.20000	80.00	0
0	900	1,850	900	0	801011502850	70# 25 x 38 140M Bright White Finch Opaque Smooth Offset	0.0900	81.00	2,280
0	600	0	600	0	801038404250	70# 23 x 35 119M Bright White Flo Matte Coated Offset	0.1596	95.76	6,750
						7 pt. 28 x 40 260M White			

MULTIPLE KIND VALUATION - ENDING BALANCE

caurand

Tuesday, March 23, 2010

TIME: 17:10

Quantity On Order	Quantity On Hand	Quantity Unpriced	Quantity Available	Quantity Reserved	Item Number	Item Description	Average Price	Item Valuation	Quantity YTD Usage
0	2,250	0	2,250	0	801032001600	Fortune Matte Coated Offset 80# 23 x 35 136M White	0.0884	198.90	0
0	7,500	0	7,500	0	801334400350	Gainsborough Felt Text 80# 23 x 35 136M Silver	0.3421	2,565.75	0
500	500	0	500	0	801096100925	Genesis Vellum Cover 80# 23 x 35 248M Birch	0.4710	235.50	0
0	1,150	16,762	1,150	0	801125200800	Hammermill Regular Bond 24# 35 x 23 102M White	0.1176	135.24	1,000
0	400	0	400	0	801095101250	Howard Linen Cover 80# 26 x 40 320M White	.40000	160.00	0
0	425	0	425	0	801095101350	Howard Linen Cover 80# 23 x 35 248M Bright White	0.5450	231.63	0
0	1,000	0	1,000	0	801125300600	Howard Linen Writing 24# 22.5 x 35 StarSapphireGray	0.1757	175.70	0
62,000	17,850	0	-44,370	62,220	801014800100	Husky Smooth Offset 50# 23 x 35 85M White	0.0510	910.35	266,060
2,500	20,000	0	20,000	0	801014800150	Husky Smooth Offset 50# 25 x 38 100M White	0.0600	1,200.00	27,250
0	13,000	0	13,000	0	801014800200	Husky Smooth Offset 50# 28 x 40 118M White	0.0689	895.70	3,600
12,500	1,900	0	-11,774	13,674	801014800650	Husky Smooth Offset 60# 23 x 35 102M White	0.0612	116.28	82,324
0	250	0	250	0	801014800700	Husky Smooth Offset 60# 25 x 38 120M White	0.0720	18.00	50,652
19,500	31,600	6,000	-92,062	123,662	801014801100	Husky Smooth Offset 70# 23 x 35 119M White	0.0703	2,221.48	223,573
1,000	7,500	20,000	5,630	1,870	801014801150	Husky Smooth Offset 70# 25 x 38 140M White	0.0898	673.50	18,360
2,750	900	175	-2,240	3,140	801063901700	Kromekote Coated Cover 10 pt CC1S 20 x 26 162M White	0.2863	257.67	0
0	100	0	100	0	801063906100	Kromekote Coated Cover 14 pt CC2S 20 x 26 217M White	0.45660	45.66	0
0	200	5,750	200	0	801012901800	Lynx Opaque Smooth Offset 80# 23 x 35 136M White	0.09384	18.77	1,300
0	200	200	200	0	801274000160	Mactac Starliner Opaque Perm. 60# 17 x 22 Matinee White	0.0000	0.00	1,860
0	135	465	135	0	801274000500	Mactac Starliner Perm. 60# 17 x 22 Novelty White	0.3850	51.98	0
2,000	9,750	0	6,291	3,459	801274000170	Mactac Starliner Removable 60# 26 x 20 Matinee White	0.7145	6,966.38	1,750
0	35	0	35	0	801512002250	Magnecote 13 pt. 23 x 35	2.0891	73.12	0
0	1,000	0	1,000	0	801099000500	Medallion Felt Cover 80# 23 x 35 248M White	.40000	400.00	0
0	600	0	600	0	801335000500	Mohawk Vellum Text 100# 25 x 38 200M Cool White	.20000	120.00	0
0	500	2,000	500	0	801365600050	NCR 8.5 x 11 White CB	0.0799	39.95	0
0	2,000	0	2,000	0	801365800110	NCR 8.5 x 11 Blue CB	0.0374	74.80	1,000
0	2,000	2,500	2,000	0	801365800150	NCR 8.5 x 11 canary cfb	0.0734	146.80	0
0	3,000	2,500	3,000	0	801365800300	NCR 8.5 x 11 pink cfb	0.0492	147.60	0
0	1,000	0	1,000	0	801366000150	NCR 8.5 x 11 canary cf	.01953	19.53	0
0	1,500	0	1,500	0	801365000125	NCR CF Manila Tag 105# 22.7M 8.5 x 11	0.0820	123.00	785
0	3,070	0	3,070	0	801366600050	NCR Rev 8.5 x 11 precol 2 part	0.0279	85.65	11,810
0	11,010	0	11,010	0	801366600100	NCR Rev 8.5 x 11 Precol 3 part	0.0351	386.45	3,490
0	2,004	0	2,004	0	801366800050	NCR Usable 8.5 x 11 precol 3 part	0.0351	70.34	0

MULTIPLE KIND VALUATION - ENDING BALANCE

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Quantity On Order	Quantity On Hand	Quantity Unpriced	Quantity Available	Quantity Reserved	Item Number	Item Description	Average Price	Item Valuation	Quantity YTD Usage
0	1,100	0	1,100	0	801035405300	Nitecoat Matte Text 80# 23 x 35 136M Cream	0.1302	143.22	0
0	1,600	0	1,600	0	801068950225	Nordic C1S Cover 8 pt. 23 x 35 206M White	0.1509	241.44	26,200
0	5,900	0	5,900	0	801068950300	Nordic C1S Cover 8 pt. 28 x 40 287M White	0.2060	1,215.40	6,000
0	1,600	0	1,600	0	801068950350	Nordic C1S Cover 10 pt. 20 x 26 155M White	0.1073	171.68	6,250
0	300	3,700	300	0	801068950400	Nordic C1S Cover 10 pt. 25 x 38 284M White	0.1846	55.38	1,800
0	100	2,900	100	0	801068950500	Nordic C1S Cover 12 pt. 20 x 26 185M White	0.13228	13.23	0
0	400	0	400	0	801068950825	Nordic C1S Cover 18 pt. 23 x 35 338M White	0.2417	96.68	24,000
0	450	0	450	0	801095961500	Options Smooth Cover PC100 100# 23 x 35 310M White	0.6014	270.63	0
0	800	0	800	0	801335001000	Parchtone Smooth Text 60# 25 x 38 120M White	0.2342	187.36	0
0	250	0	250	0	801096403400	Passport Felt Uncoated Cover 80# 26 x 40 320M Juniper	.55940	139.85	0
1,200	1,200	0	1,200	0	801335100400	Passport Smooth Text 70# 23 x 35 119M Moonstone	0.2200	264.00	0
0	700	0	700	0	801511500350	Polyart 75# 23 x 35 5.5 PT White	.50800	355.60	0
0	1,000	0	1,000	0	801511500550	Polyart 95# 25 x 38 7 PT White	.71645	716.45	0
0	7,150	0	7,150	0	80151500555	Polyart 95# 19 x 25 7 pt.	0.3582250	2,561.31	0
0	200	0	200	0	801036602600	Porcelain Silk Coated Offset 100# 23 x 35 169M White	0.1166	23.32	0
0	50	0	50	0	801097206300	Royal Fiber Smooth Cover 80# 35 x 23 248M Birch	.40000	20.00	0
0	100	0	100	0	801097200300	Royal Laid Cover 80# 23 x 35 248M Natural	0.4640	46.40	0
0	600	0	600	0	801097201150	Royal Linen Cover 80# 35 x 23 248M White	0.0000	0.00	0
0	200	0	200	0	801335605550	Royal Linen Text 70# 23 x 35 119M Natural	0.18625	37.25	0
0	1,300	0	1,300	0	801128404300	Royal Resource Silk Writing 24# 35 x 23 103M Natural	0.1582	205.66	0
0	450	0	450	0	801510000100	Sedona Cover 17 pt. 26.5 x 36 508M Navy	2.7338	1,230.21	0
0	200	0	200	0	801335800250	Skytone Smooth Text 60# 25 x 38 120M New White	0.2296	45.92	0
0	1,250	0	1,250	0	801335100500	Smart Text 100# 19 x 25 100M White	.20000	250.00	0
0	350	750	350	0	801068300750	Somerset Matte Coated Cover 9 pt 23 x 35 274M White	0.3596	125.86	0
0	1,100	0	1,100	0	801038403700	Somerset Matte Coated Offset 80# 23 x 35 136M White	0.0942	103.62	0
0	200	0	200	0	801097352500	Speckleton Smooth Cover 100# 26 x 40 400M Kraft	0.8120	162.40	0
0	500	0	500	0	801099000100	Speckleton Vellum Cover 80# 26 x 40 320M Madero Beach	.40000	200.00	0
0	100	0	100	0	801218000170	Springhill Smooth Index 90# 22.5 x 35 182M Cherry	0.1583	15.83	0
0	300	0	300	0	801218002350	Springhill Smooth Index 140# 22.5 x 35 283M Canary	0.2380	71.40	0
0	5,100	0	5,100	0	801247001100	Springhill Smooth Tag 125# 22.5 x 28.5 186M Manila	0.1471	750.21	0
0	15	0	15	0	801247001350	Springhill Smooth Tag 175# 24 x 36 350M Manila	0.2940	4.41	1,250
0	35	0	35	0	801018102000	Springhill Vellum Offset 50# 23 x 35 85M Blue	0.0740	2.59	40
0	75	0	75	0	801018102100	Springhill Vellum Offset 50# 23 x 35 85M Canary	0.0740	5.55	195

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Quantity On Order	Quantity On Hand	Quantity Unpriced	Quantity Available	Quantity Reserved	Item Number	Item Description	Average Price	Item Valuation	Quantity YTD Usage
0	75	0	75	0	801018102200	Springhill Vellum Offset 50# 23 x 35 85M Green	0.0740	5.55	0
0	20	0	20	0	801018102650	Springhill Vellum Offset 50# 25 x 38 100M Goldenrod	0.0900	1.80	0
0	41,200	0	41,200	0	801018104050	Springhill Vellum Offset 60# 23 x 35 102M Canary	0.0766	3,155.92	16,157
0	125	0	-1,705	1,830	801097370100	Starbrite Smooth Cover 65# 23 x 35 201M White	0.1504	18.80	4,000
0	700	0	700	0	801097370125	Starbrite Smooth Cover 65# 25 x 38 238M White	0.17126	119.88	600
0	80	0	80	0	801097370150	Starbrite Smooth Cover 65# 26 x 40 260M White	0.1950	15.60	0
0	2,000	0	2,000	0	801097370370	Starbrite Smooth Cover 100# 23 x 35 310M White	0.2325	465.00	3,950
0	658	500	105	553	801097400950	Starwhite Smooth Cover 80# 23 x 35 248M Tiara	0.4850	319.13	538
0	2,250	0	2,250	0	801336000500	Starwhite Smooth Text 80# 25 x 38 160M Flashwhite	0.2551	573.98	0
0	1,000	17,300	1,000	0	801030000700	Sterling Litho C1S Coated Offs 70# 28 x 40 166M White	0.1378	137.80	3,900
0	2,000	0	2,000	0	801030001100	Sterling Litho C1S Coated Offs 80# 25 x 38 160M White	0.1475	295.00	0
0	2,200	0	2,200	0	801030001150	Sterling Litho C1S Coated Offs 80# 28 x 40 188M White	0.1691	372.02	1,700
0	2,500	0	2,500	0	801129407500	Strathmore Script Writing 24# 35 x 22.5 Bri White Pinstr	.20000	500.00	0
0	500	0	500	0	801092800200	Sundance Felt Cover 80# 26 x 40 320M Adobe Tan	.40000	200.00	0
0	400	0	400	0	801092801000	Sundance Smooth Cover 80# 23 x 35 248M Honey	.40000	160.00	0
0	150	0	150	0	801098100100	Synergy Felt Cover 80# 35 x 23 248M Natural	.40000	60.00	0
0	150	0	150	0	801098901750	Synergy Felt Cover 130# 26 x 40 Firery Red	.40000	60.00	0
0	36	0	36	0	801518000010	Tag Wire 26 12 Inch	7.5000	270.00	0
0	2,450	700	2,450	0	801068930350	Tango Coated Cover 8 pt C1S 28 x 40 290M White	0.2436	596.82	0
0	500	100	375	125	801068930650	Tango Coated Cover 10 pt C1S 26 x 40 299M White	0.2703	135.15	0
1,550	25	300	-300	325	801068930800	Tango Coated Cover 12 pt C1S 20 x 26 175M White	0.1278	3.20	310
0	3,287	0	2,275	1,012	801068931350	Tango Coated Cover 15 pt C1S 26 x 40 414M White	0.2950	969.66	2,228
0	4,000	2,000	1,454	2,546	801068931650	Tango Coated Cover 18 pt C1S 25 x 38 438M White	0.3154	1,261.60	0
0	521	950	478	43	801068932200	Tango Coated Cover 8 pt C2S 20 x 26 144M White	0.1355	70.60	204
0	2,000	0	1,872	128	801068932550	Tango Coated Cover 10 pt C2S 20 x 26 173M White	0.1514	302.80	1,085
0	1,245	0	1,145	100	801068932900	Tango Coated Cover 12 pt C2S 20 x 26 201M White	0.1759	219.00	675
0	600	0	600	0	801068933100	Tango Coated Cover 12 pt C2S 26 x 40 402M White	0.3518	211.08	1,400
0	1,100	0	-50	1,150	801068933650	Tango Coated Cover 18 pt C2S 25 x 38 484M White	0.4235	465.85	0
0	1,100	0	1,100	0	801068933675	Tango Coated Cover 18pt. C2S 26 x 40 530M White	0.4638	510.18	0
0	150	0	-1,313	1,463	801512000100	Tyvek 18# 23 x 35 White	1.0690	160.35	850
0	3,500	1,750	2,324	1,176	801068990250	Value Gloss Coated Cover 80# 26 x 40 320M White	0.2058	720.30	51,970

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Quantity On Order	Quantity On Hand	Quantity Unpriced	Quantity Available	Quantity Reserved	Item Number	Item Description	Average Price	Item Valuation	Quantity YTD Usage
0	5,750	0	5,647	103	801068990300	Value Gloss Coated Cover 80# 28 x 40 345M White	0.0642	369.15	77,879
1,000	1,250	0	-950	2,200	801068990550	Value Gloss Coated Cover 100# 23 x 35 310M White	0.2077	259.62	38,325
1,750	1,500	0	1,500	0	801068990600	Value Gloss Coated Cover 100# 25 x 38 365M White	0.2227	334.05	31,870
0	2,025	0	2,025	0	801068990650	Value Gloss Coated Cover 100# 26 x 40 400M White	0.2440	494.10	10,900
0	200	7,100	200	0	801068990775	Value Gloss Coated Cover 130# 23 x 35 402M White	0.2593	51.86	200
18,250	12,300	0	-57,983	70,283	801039100250	Value Gloss Coated Offset 60# 24 x 36 110M White	0.0632	777.36	190,825
62,000	530	0	-234,170	234,700	801039100700	Value Gloss Coated Offset 70# 24 x 36 127M White	0.0703	37.26	747,300
0	6,400	0	6,400	0	801039100800	Value Gloss Coated Offset 70# 28 x 40 165M White	0.0974	623.36	198,500
0	4,356	0	4,019	337	801039101150	Value Gloss Coated Offset 80# 23 x 35 136M White	0.0803	349.79	292,228
17,700	4,595	0	-49,728	54,323	801039101200	Value Gloss Coated Offset 80# 24 x 36 146M White	0.0820	376.79	1,002,169
12,250	7,909	3,250	-10,958	18,867	801039101250	Value Gloss Coated Offset 80# 25 x 38 160M White	0.0870	688.08	54,314
2,750	3,000	0	3,000	0	801039101300	Value Gloss Coated Offset 80# 28 x 40 189M White	0.0869	260.70	84,434
0	3,500	8,750	-1,257	4,757	801039101500	Value Gloss Coated Offset 100# 19 x 25 100M White	0.0628	219.80	12,564
0	1,800	0	1,768	32	801039101550	Value Gloss Coated Offset 100# 23 x 35 169M White	0.0949	170.82	60,481
10,500	11,000	3,300	7,701	3,299	801039101600	Value Gloss Coated Offset 100# 24 x 36 182M White	0.1036	1,139.60	131,849
0	12,500	0	12,500	0	801039101650	Value Gloss Coated Offset 100# 25 x 38 200M White	0.1157	1,446.25	31,142
1,800	2,075	0	2,075	0	801068991000	Value Silk Coated Cover 80# 20 x 26 160M White	0.1000	207.50	15,080
0	600	0	600	0	801068991050	Value Silk Coated Cover 80# 23 x 35 248M White	0.1662	99.72	3,769
4,500	11,500	4,000	-2,499	13,999	801068991075	Value Silk Coated Cover 80# 25 x 38 292M White	0.1168	1,343.20	17,750
9,500	2,500	0	2,500	0	801068991100	Value Silk Coated Cover 80# 26 x 40 320M White	0.1280	320.00	9,500
0	6,125	0	6,125	0	801068991150	Value Silk Coated Cover 80# 28 x 40 345M White	0.1906	1,167.42	4,025
750	650	0	-662	1,312	801068992000	Value Silk Coated Cover 100# 20 x 26 200M White	0.1340	87.10	4,982
0	467	0	467	0	801068992050	Value Silk Coated Cover 100# 23 x 35 310M White	0.1983	92.61	32,578
0	75	13,150	75	0	801068992200	Value Silk Coated Cover 100# 28 x 40 430M White	0.3053	22.90	1,755
0	75	0	-425	500	801068992450	Value Silk Coated Cover 130# 23 x 35 402M White	0.2452	18.39	1,800
4,000	12,400	0	6,113	6,287	801039102150	Value Silk Coated Offset 70# 23 x 35 119M White	0.0644	798.56	76,839
0	2,800	4,450	2,658	142	801039102200	Value Silk Coated Offset 70# 24 x 36 127M White	0.0876	245.28	12,773
0	4,535	0	4,535	0	801039102400	Value Silk Coated Offset 80# 23 x 35 136M White	0.0826	374.59	9,812
54,750	625	0	-78,929	79,554	801039102450	Value Silk Coated Offset 80# 24 x 36 146M White	0.0588	36.75	181,374
0	1,600	21,400	1,600	0	801039102500	Value Silk Coated Offset 80# 25 x 38 160M White	0.0976	156.16	10,000
0	24,050	0	24,050	0	801039102550	Value Silk Coated Offset 80# 28 x 40 189M White	0.1013	2,436.26	14,700
0	3,950	0	3,788	162	801039102600	Value Silk Coated Offset 100# 19 x 25 100M White	0.0562	221.99	750
0	1,000	0	1,000	0	801039102700	Value Silk Coated Offset 100# 23 x 35 169M White	0.1082	108.20	63,700
0	2,350	0	2,350	0	801039102800	Value Silk Coated Offset 100# 24 x 36 182M White	0.0970	227.95	29,955
1,000	275	0	-925	1,200	801039103000	Value Silk Coated Offset 100# 28 x 40 236M White	0.1479	40.67	8,348
0	500	0	215	285	801519000150	Vegetable Parchment Offset 39# 25 x 38 78M White	0.1141	57.05	0
0	800	0	800	0	801129700150	Via Laid Writing 24# 35 x 23 102M Brt.White	.16060	128.48	0
0	36,020	0	36,020	0	801019602050	Xerox Smooth Offset 50# 11 x 17 20M White	0.0133	479.07	426,039

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Quantity On Order	Quantity On Hand	Quantity Unpriced	Quantity Available	Quantity Reserved	Item Number	Item Description	Average Price	Item Valuation	Quantity YTD Usage
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TOTAL Items Processed: 196

TOTAL Qty On Order: 308,105

TOTAL Qty On Hand: 513,725

TOTAL Qty Unpriced: 208,552

TOTAL Qty Available: -208,970

TOTAL Qty Reserved: 722,695

TOTAL Stock Value: 0.00

TOTAL Other Value: 69,452.94

TOTAL Material Value: 69,452.94

Item Number Range: ALL

Item Name Range: ALL

Type Code Range: ALL

Sort By: Item Name

Price By: Average Price

Skip On-Hand = 0: Yes

Kinds Selected: 801

EXHIBIT B

39988

<u>Vendor-Contract</u>	<u>Term/Expiration</u>	<u>Monthly Cost</u>	<u>Description</u>	<u>Category</u>
MT Business Technology	12/1/2010	\$ 446.20	2 Copiers	Lease
MT Business Technology	6/1/2011	\$ 296.20	Color Copier	Lease
Pitney Bowes	1/1/2011	\$ 575.00	Mailing Machine	Lease
		\$ 1,317.40		
GEI Wldeformat	10/31/2010	\$ 441.00	Veris and Double Proofer	Lease
Eastman Kodak	8/1/2010	\$ 3,031.58	Nexpress Glosser & Front End Software	Service
Eastman Kodak	8/1/2010	\$ 35.42	Fusion Pro VDX Software	Service
EKCC	9/1/2010	\$ 11,014.06	Nexpress	Lease
CIT Technology	8/1/2010	\$ 6,542.18	Digimaster E125	Lease
Eastman Kodak	7/31/2010	\$ 2,425.33	Digimaster /Bookmaker	Service
Eastman Kodak		\$ 5,755.76	Primergy - Insite - Software- Trendsetter-Plate Veris	Service
		\$ 29,245.33		
Total of all Lease/Service Contracts:		\$ 30,562.73		

EXHIBIT C

39988

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION, CANTON**

-----X	
In re:	: Case No. 10-61033
	:
THE HERALD PRINTING COMPANY	: Chapter 11
	:
an Ohio limited liability company,	: Judge Russ Kendig
	:
Debtor and	:
Debtor-in-Possession.	:
	:
(Employer Tax I.D. No. 34-1050454)	:
-----X	

**ORDER PURSUANT TO 11 U.S.C. §§ 363(b), (f), (m), AND 365, AND
FED. R. BANKR. P. 6004, 6006, AND 9014 (I) AUTHORIZING THE DEBTOR TO SELL
SUBSTANTIALLY ALL OF ITS ASSETS FREE AND CLEAR OF LIENS, CLAIMS,
ENCUMBRANCES AND INTERESTS AND (II) TO ASSUME AND ASSIGN
EXECUTORY CONTRACTS AND UNEXPIRED LEASES RELATED THERETO**

Before the Court is the motion (the “Sale Motion”), Docket No. _____, filed by the above-captioned debtor and debtor in possession (the “Debtor”) on May 17, 2010, requesting (among other things) the entry of an order pursuant to sections 363(b), (f), (m), and 365 of title 11, United States Code (the “Bankruptcy Code”), and Rules 6004, 6006, and 9014 of the Federal

Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (i) authorizing the sale (the “Sale”) of the assets used in the Debtor’s operations free and clear of all liens, claims, encumbrances, and interests of whatever type or nature (collectively, the “Interests”), (ii) authorizing the Debtor to assume and assign to the Purchaser, as defined herein, certain executory contracts and unexpired leases associated with the Debtor’s business and (iii) granting related relief; this Court having set _____, 2010, as the date for the sale of the Assets and the Assigned Contracts and the Debtor having conducted the sale on _____, 2010; the Debtor having determined that the Purchaser’s bid is the best and highest bid for the Assets; the Court having reviewed and considered the Sale Motion and it appearing that the relief requested in the Sale Motion is in the best interest of the Debtor, its estate, creditors, and other parties in interest in this case; after due deliberation thereon; “Purchase Agreement” shall mean the agreement or agreements between the Debtor as seller, on the one hand, and Stump’s Converting, Inc. (“Purchaser”) as buyer; “Assets” shall mean the assets to be sold to the Purchaser pursuant to the Purchase Agreement, more fully described on Exhibit A attached hereto, and executory contracts and unexpired leases to be assumed and assigned to the Purchaser shown on Exhibit B hereto (the “Assigned Contracts”); and good cause appearing therefore, it is hereby FOUND AND DETERMINED AS FOLLOWS:

A. The Court has jurisdiction over the Sale Motion and the transactions contemplated by the Sale Motion pursuant to 28 U.S.C. § 1334 and reference from the District Court for the Northern District of Ohio pursuant to 28 U.S.C. § 157. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of this case and the Sale Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief requested in the Sale Motion are sections 363(b), (f), (m), and 365 of the Bankruptcy Code and Rules 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure.

C. As evidenced by the affidavit of service, Docket Nos. _____ through _____ previously filed with the Court, and based on the representations of counsel at the hearing held on _____, 2010, on the Sale Motion (the “Hearing”) and upon further notice under Rule 6006 of the Federal Rules of Bankruptcy Procedure provided on _____, 2010, to any non-Debtor party to an executory contract that the Debtor proposes to assume and assign to the Purchaser, together with proposed cure amounts to be paid by the Purchaser; (i) proper, timely, adequate, and sufficient notice of the Sale Motion and the sale has been provided in accordance with sections 363 and 365 of the Bankruptcy Code and Rules 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure; (ii) such notice was reasonable, sufficient, and appropriate under the circumstances; and (iii) no other or further notice of the Sale Motion, is required.

D. A reasonable opportunity to object or be heard with respect to the Sale Motion and the relief requested therein has been afforded to all interested persons and entities, including: (i) counsel for the Purchaser; (ii) counsel for the Debtor’s prepetition secured lender(s); (iii) the Office of the United States Trustee; (iv) all entities known to have asserted any lien, claim, encumbrance, alleged interest in or with respect to the Assets; (v) all non-Debtor parties to the Assigned Contracts upon notice provided under paragraph C hereof; and (vi) all other entities that have filed requests for notices pursuant to Bankruptcy Rule 2002.

E. The Debtor has demonstrated sound business justifications for the Sale and the related transactions pursuant to section 363(b) of the Bankruptcy Code.

F. The Sale was negotiated, proposed, and agreed to by the Debtor and the Purchaser as parties thereto without collusion, in good faith, and from arm's length bargaining positions. Neither the Debtor nor the Purchaser have engaged in any conduct that would cause or permit the Sale to be avoided under section 363(n) of the Bankruptcy Code. The Purchaser is a good faith purchaser under section 363(m) of the Bankruptcy Code and, as such, is entitled to all of the protections afforded thereby.

G. The consideration provided by the Purchaser for the Assets and the Assigned Contracts (i) is fair and reasonable; (ii) is the highest and best offer for the Assets and the Assigned Contracts; and (iii) will provide a greater recovery for the Debtor's creditors and other interested parties than would be provided by any other available alternative.

H. The sale of the Assets to the Purchaser under the terms of this Order will be a legal, valid, and effective transfer, and will vest in the Purchaser all right, title, and interest of the Debtor to the Assets free and clear of all Interests including, but not limited to, those (i) that purport to give to any party a right or option to consummate in the future, any sale, contingent sale, title retention agreement or lease relating to the Assets (or a right or option to terminate the Debtor's or the Purchaser's rights therein), or any similar rights, and (ii) relating to taxes arising under or out of, in connection with, or in any way relating to the operation of the Debtor's business prior to the date (the "Closing Date") of the consummation of the Sale (the "Closing").

I. The Debtor may sell the Assets free and clear of all Interests of any kind or nature whatsoever because, in each case, one or more of the standards set forth in section 363(f) of the Bankruptcy Code has been satisfied. Those holders of Interests and non-Debtor parties who did not object, or who withdrew their objections, to the Sale or the Sale Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of Interests fall also within one or more of the other subsections of section 363(f) of the Bankruptcy Code and

are adequately protected by having their Interests, if any, attach to the proceeds of the Sale ultimately attributable to the property against or in which they claim or may claim an Interest.

J. Approval and consummation of the Sale at this time is in the best interest of the Debtor, its creditors, its estate, and other parties in interest.

K. The Purchaser would not consummate the transactions contemplated by the Sale, thus adversely affecting the Debtor, its estate, and its creditors, if the sale of the Assets were not free and clear of all Interests of any kind or nature whatsoever, or if each Purchaser would, or in the future could, be liable for any such Interests and if the transfer could not be made under section 363 of the Bankruptcy Code.

NOW, THEREFORE, BASED UPON THE FOREGOING FINDINGS OF FACT, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED, EFFECTIVE IMMEDIATELY, THAT:

1. The Sale Motion shall be, and hereby is granted, as further described herein.
2. Defined terms not otherwise defined in this Order shall have the meanings given them in the Sale Motion.
3. All Objections to the Sale Motion or the relief requested therein that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are hereby overruled on the merits.
4. Any party that received notice of the Sale Motion and did not object shall be deemed to consent to the relief requested therein and ordered hereby.
5. The Sale as presented to the Court at the hearing on this matter, and all of the terms and conditions thereof, are hereby approved as if fully stated herein, and the Debtor is hereby authorized to execute the Purchase Agreement on such terms as contained therein. The Purchase Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto, and in accordance with the terms thereof, as

may be necessary to give effect to the intent of the parties as represented to the Court and consummate the transactions contemplated by such agreements, documents or instruments without further order of the Court, provided that any such modification, amendment or supplement is not materially different from the terms presented to the Court and does not have a material adverse effect on the Debtor's estate as defined herein, in form and substance.

6. Pursuant to section 363(b) of the Bankruptcy Code, the Debtor is authorized and directed to consummate the Sale, pursuant to and in accordance with the terms and conditions of the Purchase Agreement and to take all actions and execute all documents as may be necessary to consummate the Sale or effect the transactions referenced in or otherwise contemplated by the Purchase Agreement.

7. The Debtor is authorized and directed to execute and deliver, and is empowered to perform under, consummate, and implement, the Purchase Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Purchase Agreement, and to take all further actions as may be requested by the Purchaser for the purpose of assigning, transferring, granting, and conveying to the Purchaser or reducing to possession the Assets, or as may be necessary or appropriate to the performance of the obligations as contemplated by the Purchase Agreement.

8. In connection with the assumption and assignment of the Assigned Contracts, the Purchaser shall promptly pay or agree to the payment terms for all Cure Amounts. Any non-Debtor party to an Assigned Contract that disagrees with or disputes the Cure Amount must file an objection to the Cure Amount no later than July ___, 2010. In the event that no objection to the Cure Amount is filed, then the non-debtor party to the Assigned Contract shall be deemed to have waived any objection thereto, and the Cure Amount shall be deemed binding on the non-Debtor party and the Purchaser. The Debtor shall not be required to take any other action or to

make any other payment with respect to any defaults under the Assigned Contracts. All non-Debtor parties to Assigned Contracts are hereby enjoined and forever barred from asserting any claim or default, including termination of any Assigned Contract by reason of any claim or default which may exist under such Assigned Contracts, except as may be specified in the Purchase Agreement or as otherwise set forth in this Order.

9. Subject to the provisions of paragraph 8 of this Order, the Debtor is authorized and directed to assume and assign the Assigned Contracts to the Purchaser, free and clear of all Interests, and the assignment of the Assigned Contracts is valid under section 365 of the Bankruptcy Code and the Assigned Contracts will be deemed to have been assumed by the Debtor and assigned to the Purchaser effective as of the Closing Date. Pursuant to section 365(k) of the Bankruptcy Code, the assignment by the Debtor of the Assigned Contracts relieves the Debtor and its estate from any liability from any breach of the Assigned Contracts after the Closing Date.

10. The purchase price to be paid by the Purchaser for the sale and transfer of the Assets under the terms of the Sale and the Purchase Agreement constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession or the District of Columbia. The sale of the Assets and other transactions contemplated by the Purchase Agreements may not be avoided under sections 363(k) or (n) of the Bankruptcy Code.

11. The transactions contemplated by the Sale and the Purchase Agreement are undertaken by the Purchaser in good faith, as that term is used in section 363(m) of the Bankruptcy Code and, accordingly, the reversal or modification on appeal of this Order shall not affect the validity of the Sale of Assets to the Purchaser, unless such Sale and this Order are duly stayed pending appeal. The Purchaser is a purchaser in good faith of the Assets for all purposes.

12. All of the Debtor's interest in the Assets shall be, as of the Closing Date, transferred to and vested in the Purchaser. Upon the Closing Date, this Order shall be considered and constitute for any and all purposes a full and complete general assignment, conveyance, and transfer of any assets acquired by the Purchaser under the Purchase Agreement and/or a bill of sale or assignment transferring good and marketable, indefeasible title and interest in the assets acquired by the Purchaser under the Purchase Agreement. In accordance with the Sale and the Purchase Agreement, from and after the Closing Date, the applicable Purchaser shall be granted immediate and unfettered access to the Assets.

13. Except as expressly permitted or otherwise specifically provided for in the Purchase Agreement and this Order, pursuant to sections 105(a), 363(f), and 365 of the Bankruptcy Code, the Assets shall be transferred to the Purchaser free and clear of all Interests of any kind or nature whatsoever, (including but not limited to any liens, claims, rights or encumbrances of any governmental authority or entity, and any other claims, known or unknown, contingent or non-contingent for any environmental liability or products liability), with all such Interests to attach to the net proceeds of the Sale in the order of their priority, with the same validity, force, and effect which they now have as against such assets, subject to any claims and defenses that the Debtor and other parties having Interests in the Assets may possess with respect thereto.

14. Except as expressly permitted by applicable law or otherwise specifically provided for in the Purchase Agreement, or this Order, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax and other regulatory authorities, lenders, trade and other creditors holding Interests of any kind or nature whatsoever against or in the Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, liquidated or unliquidated, senior or subordinated), arising under or out of, in connection with, or in any way relating to the operation of the Debtor's business

prior to the Closing Date, are hereby forever barred, estopped, and permanently enjoined from asserting against the Purchaser, its successors or assigns (to the extent allowed by law), its property, its officers, and any directors and shareholders of the Purchaser, such persons' or entities' Interests. All holders or beneficiaries of the Interests are hereby directed to cooperate with the Purchaser in delivering such documents reasonably requested by the Purchaser, which may be necessary to evidence and effectuate the extinguishment of any Interests from or against the Assets.

15. If any person or entity that has filed financing statements, assignments, security agreements, lis pendens, or other documents or agreements evidencing Interests in any of the Assets shall not have delivered to the Debtor prior to the Closing Date in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, and releases of all Interests which the person or entity has with respect to the Seller or otherwise, then (a) the Debtor is hereby authorized to execute and file such statements, instruments, releases, and other documents on behalf of the person or entity with respect to the Acquired Assets; and (b) the Purchaser are hereby authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all interests in the Assets of any kind or nature whatsoever.

16. The Debtor is authorized and directed to transfer immediately all proceeds of the Sale to an escrow account, or other segregated account, acceptable to PAF Investments, LLC.

17. This Court retains jurisdiction to endorse and implement the terms and provisions of the Sale and the Purchase Agreement, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith in all respects, including, but not limited to, retaining jurisdiction to (a) compel delivery of the Assets to the Purchaser; (b) compel delivery of the Purchase Price or performance of other obligations owed to

the Debtor; (c) resolve any disputes arising under or related to the Sale or the Purchase Agreement, except as otherwise provided therein; and (d) interpret, implement, and enforce the provisions of this Order.

18. To the extent not inconsistent with or prohibited by applicable law, the Purchaser shall have no liability or responsibility for any liability or other obligation of the Debtor arising under or related to the Assets other than those expressly assumed in the Sale and under the Purchase Agreement or arising under the Assigned Contracts from and after the Closing Date. Without limiting the generality of the foregoing exclusion, the Purchaser is assuming no obligation for, and (to the extent consistent with applicable law) shall have no responsibility with respect to, the Debtor's accounts payable or liabilities under environmental laws. The Purchaser shall be under no obligation to hire any of the Debtor's employees and shall not assume any obligations to or with respect to such employees, including, without limitation, any obligations for employment compensation, benefits or severance or any obligations under or with respect to any ERISA plan, any multiemployer plan or otherwise, including, without limitation, obligations arising under COBRA, any obligation to provide compensation or benefits pursuant to any employment contract, and any obligations under or with respect to any collective bargaining agreements. Except for such obligations expressly assumed by the Purchaser, all persons are hereby enjoined from asserting or prosecuting any claim against the Purchaser to recover on any claim such person had, has or may have against the Debtor, its estate or the Assets.

19. The terms and provisions of the Purchase Agreement and this Order shall be binding in all respects upon, and shall inure to the benefit of the Debtor, its estate and creditors, the Purchaser, and their respective affiliates, successors, and assigns and any affected third parties (including, but not limited to, all non-Debtor parties asserting interests in the Assets),

notwithstanding any subsequent appointment of any trustee under any chapter of the Bankruptcy Code, upon which trustee such terms and provisions likewise shall be binding.

20. The failure specifically to include any particular provisions of the Sale or the Purchase Agreement in this Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the Sale and the Purchase Agreement be authorized and approved in their entirety as if fully stated herein.

21. Any notices of appeal of this Order must be in writing and must be filed with the Court and served on (a) Anthony J. DeGirolamo, Courtyard Centre, Suite 307, 116 Cleveland Avenue NW, Canton, Ohio 44702; (b) McDonald Hopkins, Attn. Paul Linehan, Esq. 600 Superior Ave. E., Suite 2100, Cleveland, Ohio 44114; and (c) Brouse McDowell, Attn. Marc Merklin, Esq., 388 S. Main St., Suite 500, Akron, Ohio 44311. This Order shall be effective immediately upon its entry. The stays provided under Bankruptcy Rules 6004(g) and 6006(d) are both hereby waived and no stay shall apply to the Sale. This Order shall take effect immediately and shall not be stayed pursuant to Bankruptcy Rule 7062 or otherwise. This Order is, and shall be entered by the Clerk in the records of the Debtors' cases as, a "final" order pursuant to Fed. R. Civ. P. 54 and 58 and Bankruptcy Rules 5003, 7054, and 9021.

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PREPARED BY:

Anthony J. DeGirolamo (0059265)
Courtyard Centre, Suite 307
116 Cleveland Avenue NW
Canton, Ohio 44702
Telephone: 330-588-9700
Facsimile: 330-588-9713
E-mail: ajdlaw@sbcglobal.net

COUNSEL FOR THE DEBTOR AND
DEBTOR IN POSSESSION

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Order was served via regular U.S. Mail, postage prepaid, upon those listed below, this _____ day of _____, 2010.

Deputy Clerk

Office of the United States Trustee
Howard Metzenbaum Courthouse
201 Superior Ave E Ste 441
Cleveland OH 44114

PAF Investments LLC
3100 Dundee Rd Ste 916
Northbrook IL 60062

Cavanaugh Law LLC
The Hanna Building
1422 Euclid Ave Ste 727
Cleveland OH 44115

Citizens Banking Co.
Attn. James McGookey, Esq.
100 E Water St
Sandusky OH 44870

McDonald Hopkins
Attn: Paul Linehan
600 Superior Ave S Ste 2100
Cleveland OH 44114

Richard Hottenroth, Esq.
126 S Market St
Galion, Ohio 44833

Robert Bordner
8758 Muirfield Dr
Naples FL 34109

First Federal Bank of Ohio
140 N Columbus St
Galion OH 44833

Anthony J. DeGirolamo, Esq.
Courtyard Centre Ste 307
116 Cleveland Ave NW
Canton OH 44702